

Message Text

CONFIDENTIAL

PAGE 01 BONN 07004 221747Z
ACTION EUR-12

INFO OCT-01 ARA-06 EA-07 ISO-00 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 AID-05 COME-00 EB-08 FRB-03
TRSE-00 XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 IGA-02
/100 W

-----230735Z 075267 /14

R 221735Z APR 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 7629
INFO AMEMBASSY BERN
AMEMBASSY BRUSSELS
AMEMBASSY CARACAS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
AMEMBASSY VIENNA
USMISSION EC BRUSSELS
AMEMBASSY LISBON
USMISSION OECD PARIS

C O N F I D E N T I A L BONN 07004

E.O. 11652: GDS
TAGS: EFIN, PO, GW
SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: STATE 88960

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1. IN THE ABSENCE OF FOREIGN MINISTER GENSCHER,
I TODAY SAW STATE SECRETARY HERMES AND CONVEYED TO
HIM THE POINTS MADE IN REFTEL. HERMES REITERATED
GERMAN PREFERENCE FOR DEALING THROUGH THE IMF AND
DOUBTS THAT PORTUGAL WAS "RUNNING OUT OF CASH" AND
NEEDED ASSISTANCE PRIOR TO THE TIME IT COULD BE
MADE AVAILABLE THROUGH THE IMF. HE ALSO EXPRESSED

HIS PERSONAL OPINION THAT WE WOULD NOT BE DOING PORTUGAL A FAVOR IF ASSISTANCE MADE AVAILABLE NOT SUBJECT TO THE STRICT IMF CONDITIONS AND EXPRESSED VIEW THAT PORTUGAL STILL HAD SUFFICIENT GOLD ASSETS TO FINANCE ITSELF, IF NECESSARY, THROUGH FURTHER GOLD COLLATERAL LOANS. DURING THIS PART OF THE CONVERSATION THE POSSIBLE GERMAN SHARE CAME UP AND I MENTIONED ILLUSTRATIVE FIGURE OF \$200 MILLION AT WHICH HERMES BRISTLED SOMEWHAT.

2. WITH ALL THIS SAID, HERMES INDICATED HOWEVER THAT THE FRG WOULD STUDY OUR NEW PROPOSAL AND INQUIRED WHETHER WE STILL INTENDED PORTUGAL TO BE DISCUSSED AT THE SUMMIT. I RESPONDED THAT THIS WAS MY UNDERSTANDING. HERMES IMPLIED THAT WE PROBABLY COULD NOT EXPECT A REACTION TO OUR PROPOSAL PRIOR TO THE SUMMIT, BUT SEEMED NOT UNFAVORABLY INCLINED TOWARD THE MID-MAY MEETING IN PARIS SUGGESTED IN REFTEL.

3. PRIOR TO MY MEETING WITH HERMES, I MET WITH THE PORTUGUESE AMBASSADOR AND BRIEFED HIM ON OUR NEW APPROACH. HE INDICATED THAT WHILE HE HAD HAD UNOFFICIAL WORD OF SOME REVISION IN PREVIOUS PLANS AND A POSSIBLE MEETING IN PARIS, HE DID NOT AS YET HAVE NEW INSTRUCTIONS FOR ANOTHER APPROACH TO THE GERMAN GOVERNMENT. WE AGREED TO KEEP IN CLOSE TOUCH.

4. THE FINANCIAL ATTACHE SEPARATELY PRESENTED OUR CONFIDENTIAL

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PORPOSAL TO FINANCE MINISTRY ASSISTANT SECRETARY WEBER WHO UNDERTOOK TO BRIEF STATE SECRETARY POEHL PRIOR TO HIS DEPARTURE FOR WASHINGTON. STOESEL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 22-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: GS
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From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770431/aaaaazwv.tel
Line Count: 101
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 383230a1-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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SAS ID: 2729945
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TAGS: EFIN, ECON, PO, GE
To: STATE
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